

---

# STATE OF INDIANA

---

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 232-8779

## **School Property Tax Control Board Meeting Minutes December 6, 2007**

**Call to Order:** The monthly meeting of the School Property Tax Control Board was held on Thursday, December 6, 2007. The meeting was held in the Indiana Government Center South, Conference Center Room A, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Morris Mills, Roger Umbaugh, Tony Samuel, Richard Besinger, Debbie Hineline, Joe Bronnert, David Bowen, Chuck Nemeth, Denise Seger and Kaitlin Boldt, Administrative Officer.

**Minutes and Discussion:** Mr. Umbaugh motioned to recommend approval of the October 4 and 18, 2007 minutes. Mr. Besinger seconded and the motion carried 8-0. Mr. Bronnert was absent for the vote.

**Avon Community Schools, Hendricks County:** Officials request approval of a transportation appeal in the amount of \$413,019. The appeal was properly advertised. The tax rate impact of the appeal was not reported. Officials request the appeal due to an increase in the number of students transported and miles traveled. There have been thirty-seven transportation positions added since 2004. The number of bus routes has increased from 172 in 2002-2003 to 230 in 2006-2007.

**Present for the hearing** was Brock Bowsher, Director of Finance.

**Comments:** Mr. Bowsher, Director of Finance, said they are resubmitting the appeal using actual 2007-08 data and are now requesting \$178,000.

Mr. Besinger said their mileage comes out \$2.35 miles per gallon, which is much lower than other schools. Mr. Bowsher this is the data Co-Alliance, their fuel provider, gave them for how prices would come out for the year. Mr. Besinger said he is addressing the mileage they get on their busses. Mr. Bowsher said they are a suburban school so they do not get good mileage in the subdivisions. Mr. Besinger asked if they use any of this fuel for their service department. Mr. Bowsher said they work with the town to purchase unleaded gas.

Mr. Mills said their transportation costs are almost twice as much per student as similar school districts. Mr. Bowsher said they transport all of their kindergarten students. They also run a 3x5 schedule at the high school which means three times a week students stay after for an additional period. These programs drive up the cost, but it is something that taxpayers have supported.

Mr. Besinger said those higher costs are something the school corporation should look at addressing. Mr. Bowsher said they do not have a lot of sidewalks in town so most students have to ride the bus. Mr. Besinger said they cannot always afford what they want. Mr. Bowsher said the community supports this.

Mr. Nemeth asked when their last transportation appeal was. Mr. Bowsher replied it was last year. Mr. Nemeth said they are not showing any new positions being added this year. Mr. Bowsher said they have been using subs. They may add four bus drivers. Mr. Nemeth said they did not include the budget form showing the increase from 2007 to 2008. Mr. Nemeth said there is not enough information to see why this levy increase is needed.

Mr. Bronnert said they usually see a cost of \$5 per mile, but Avon's is \$12 per mile. Mr. Bowsher said it is higher because they are a suburban school.

Mr. Nemeth said a large portion of their increase is coming from 2552 – vehicle operations, which includes drivers, but they did not show any increase in the number of drivers. Mr. Nemeth asked if that amount includes pay raises. Mr. Bowsher said it does not include raises; it is just for an increase in drivers needed. Mr. Nemeth said they do not show any detail for the half million dollars so it is difficult to see if they qualify.

**Motion:** Mr. Mills made a motion to forward the transportation appeal to the Commissioner with no recommendation. Mr. Bronnert seconded the motion, which carried by a vote of 5-4. Mr. Bowen, Dr. Seger, Mr. Samuel and Mr. Besinger cast the dissenting votes.

Mr. Bowen said they questioned the number last time and they came back with a significantly lower number. Mr. Bowen said the cost per mile is justified as they have approved other similar projects.

Mr. Besinger said he thinks their budget is too expensive and not in the best interest of taxpayers.

**Elwood Community School Corporation, Madison County:** Officials request approval of a lease rental agreement with maximum annual payments of \$857,000 for a term of 21 years. Total project costs are \$6,500,000. The tax rate impact is \$0.2687 with no new facility appeal expected. The common construction wage scale was approved by a vote of 3-0 with the Governor's Representative and Indiana AFL-CIO representative absent from the vote. The last date to file an application for petition/remonstrance is November 29.

**Present for the hearing** was Thomas Austin, Superintendent; Ivan Wagner, Consultant; Michael Schafffer, Assistant Superintendent; Ed Alley, School Attorney; Jeff Qualkinbush and Brad Bingham, Barnes & Thornburg; Colette Irwin-Knott and Joshua Nifong, Umbaugh; Chris Walker, High School Principal; Delbery Litherland, School Board President and Woody Holm, Project Engineer.

**Project:** The Elwood Community High School is in need of a new HVAC (heating, ventilation, and air conditioning) system. The High School's current equipment is old and has never been replaced. The average life for HVAC Equipment is 20-25 years. Elwood High School is 34 years old. The chiller and cooling tower are not repairable, and the boilers are inefficient. The air handling units are in poor condition. The School Corporation has been renting an expensive chiller to combat some of the problems the current HVAC system has caused. Renting this chiller is obviously not a long-term solution.

The new HVAC system will be a geothermal water source heat pump consisting of a 2-pipe, vertical geothermal field. There are many advantages to choosing a geothermal system. First of all, there will be an 8-10 year payback on additional installation cost. There will be 30-40% energy savings, and the new system is relatively simple to operate once installed. The geothermal HVAC system will provide the desired comfort levels throughout the entire building. This system is also the most environmentally friendly.

**Comments:** Mr. Austin, Superintendent, this renovation project is based entirely on need. The project became an emergency this past summer when the high school chiller unit stopped working after 45 years. To address the immediate school year the school corporation paid \$45,250 to rent a chiller unit. The board wishes to address all long term problems created by an inefficient HVAC system with this project. The current system at the high school is inefficient, ineffective, and hazardous to the health of students and staff. The current HVAC system has never worked correctly. They are unable to maintain a constant temperature throughout the high school building, regardless of any work done on the system. When the high school was built natural gas was a very low cost heating source. As natural gas prices have increased this method has lost most of the efficiency realized in the 1970s. The current system is hazardous due to an increase in moisture getting into the system. There has been a serious outbreak in mold in the media center and other areas over the past few years. Several experts have pointed to the current HVAC system as the cause of the problem. A large dehumidifier has been placed in the media center, but it is loud and only a temporary fix. The school board has decided to move into a geothermal system at the high school. It will allow for individual temperature control and will be much more efficient. The geothermal system will eliminate the current mold issues.

Due to the current overall tax rate in Elwood, while there are many projects that could be addressed, the board decided to address two additional issues. There is a great need for an update to the electrical and lighting. Because the HVAC project will require a great deal of work in the ceilings the engineer recommended doing these projects at the same time. The other project is the reconfiguration of the front entrance and office to increase security. The cost to finance this entire project shall not exceed \$6.5 million. Because the tax rate in Elwood is very high they have taken several months to explore the repayment term for these bonds. At the end of 2008 the bonds for a middle school project will be repaid in full. The middle school bonds had an annual debt service fund levy of about \$1,150,000. Both repayment options would add payments lower than the current debt service payments. There was no remonstrance for either financing option. This past week the board voted to approve a 21 year lease repayment with a maximum annual payment not to exceed \$575,000. This will result in an \$0.18 reduction in the current debt service fund tax rate.

Mr. Mills asked if they have quantified their energy savings. Mr. Mills asked why that money cannot be used to pay for this debt. The Superintendent said when they transitioned from natural gas to geothermal at their elementary schools in 2003 the natural gas bill was \$40,084 and in 2004 the gas bill for both buildings dropped to \$8,932, in 2005 the bill was \$8,542 and in 2006 it was just over \$10,000. Mr. Mills asked how they can quantify where they stated they would save 30-40%. The Superintendent said he can only quantify that with spreadsheet data from past projects.

Mr. Bowen said it is stated that the estimated annual energy savings will be \$32,500 and the estimated annual maintenance savings will be \$13,000 for a total of \$45,500 annually.

Mr. Besinger asked why they have not used CPF to do some of this. The Superintendent said their 2007 CPF budget is \$1,283,351. \$300,000 of that is to maintain their technology program. They have maintenance and salary agreements that they are responsible. Their AV from 2005 to 2006 dropped \$48 million. The scope of this project is too large for their CPF budget. Mr. Besinger said if they did not use it for things like insurance and paid for those out of general fund they would have the money. Mr. Besinger said in 2006-07 their debt service rate was two times the general service rate. In 2008-09 they are projecting it will be one and a half times greater. The Superintendent said they had spent ten years growing their cash balance in the general fund until their AV bottomed out in 2006. When they did the 2006 budget they reduced the general fund appropriation to get the tax rate below \$2.00. This year they have the second highest tax rate in the county. The general fund tax rate is lower than debt service because they purposely did not ask for the max levy. Mr. Besinger said they are going to pay for it one way or the other because now they are coming and asking for a lease rental, where if they had their max levy with the general fund they could have paid for this out of CPF. Mr. Besinger said their graduation rate is 82.6% and ISTEP is 54.3% and asked what they are doing to address this. The Superintendent said they are meeting next Thursday to discuss a proposed freshman transition program. The failures begin with the freshman classes. They have a career center and Ivy Tech satellite program that offer many dual credit opportunities for students.

Mr. Bowen asked how much of the \$5,880,000 of construction costs is for the geothermal system. They said the HVAC portion of the budget was \$4.7 million. Mr. Bowen asked how their clerk of the works is set up. The Superintendent said Dr. Wagner is working as a project consultant because he has an excellent history and reputation with the school corporation. Mr. Bowen asked if the \$140,000 is for other projects beyond this project. Mr. Bowen said the number seems high because the clerk of the works usually overlooks the construction which is only a six month period. They said the delivery system has not been determined yet. They may run a day and night crew and be on site for extended periods of time.

Dr. Seger asked if they provided any drawings or cost breakdowns for the reconfiguration of the entrance. They said the schematic drawing is an ongoing development at this time. Right now the entrance has eight single doors all the way across. The intent is to put another set of doors and make the main entrance pass through the principal's office after school starts. The budget for that work is \$78,000.

Mr. Nemeth asked if they only have four school board members. The Superintendent said at the time the fifth member resigned and a fifth was not appointed until after the form was submitted. Mr. Nemeth asked how well the local media covered this project beyond what is required by the school. The Superintendent said they have two or three public forums on this project at the high school. A non-resident who owns property in the district asked some very poignant questions. The community has been given ample opportunity to question this project throughout the process. Mr. Nemeth asked how many people attended the meetings. The Superintendent said there were forty plus people at the 1028 hearing. There were five people at one community forum and a few more at the second. This attendance is not unusual. Mr. Nemeth asked if tax bills are out. The Superintendent said they are out and are due soon. Mr. Nemeth said all of these meetings happened before tax bills were out. Mr. Nemeth asked if they have a rainy day fund. The Superintendent responded no.

Mr. Besinger asked how they pay for their severance bond. The Superintendent said they pay for all of it out of bus replacement.

Mr. Samuel asked how much the lighting portion of the project will cost. They said it is \$177,000. The lighting is related to upgrading the electrical. They have received a grant to add additional computers. If they do not upgrade the electrical system they would have to move classrooms for all of the computers to work. They are using this opportunity to take care of lighting, electrical, and HVAC all at once. Mr. Samuel asked when they discovered the mold problem. The Superintendent said they have had mold issues since the 1970s, but they have been able to keep it under control. When the chiller broke last summer they were without air for a few weeks which led to the serious problems.

Mr. Besinger asked why they did not address the problem earlier. The Superintendent said they have a six or seven year history with Micro Air. They have subscribed to every recommendation they have made every time they came in. Mr. Besinger asked why they did not go somewhere else if they were not solving the problem. The Superintendent said other school corporations have been very happy with Micro Air. The high school is in a very low lying area so it is difficult to get rid of the standing water.

Mr. Umbaugh asked what the total tax rate of \$1.85 in the first year will drop to by using the longer bond issue. Ms. Irwin-Knott said appendix C, section 1, page five shows the current 36 cent rate in debt service will drop to about 18 cents. Mr. Umbaugh said they are looking at an overall rate of \$1.70. Mr. Umbaugh said given their tax problems he does not think a shorter term would be appropriate.

Mr. Mills said they are one of least funded schools in the state and would like to see the legislature take a look at funding them. Mr. Mills said he does not like to see this type of thing strung out for 21 years when he does not think the equipment has a 21 year life.

**Motion:** Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$857,000 for a term not to exceed 21 years. Dr. Seger seconded the motion, which carried by a vote of 6-3. Mr. Mills, Mr. Besinger, and Mr. Samuel cast the dissenting votes.

Mr. Mills commented that he would support the project with a shorter term.

**Spencer – Owen Community Schools, Owen County:** Officials requested approval of a general obligation bond issue in the amount of \$750,000 with a term of 5 years. The total project cost is \$750,000. The tax rate impact is \$0.0314 with no new facility appeal expected. The common construction wage scale was approved with the Governor’s Representative abstaining from the vote. The project does not qualify for the petition and remonstrance process. School officials reported the project type at “Other” and therefore the DLGF baselines do not apply.

**Present for the hearing** was Randy Roberts, Business Manager; Dr. Marsha Turner-Shear, Superintendent; Tamra Ranard, Director of Technology; Randy Ruhl and Kelly McNairy, City Securities Corporation and Thomas Peterson, Ice Miller.

**Project:** This project will upgrade computers and technology and replace roofing on three schools in the Spencer-Owen Community Schools district. At Gosport Elementary School they need to replace 26,775 square feet of roofing. Despite regular repairs, each time there is rain leaks occur in classrooms, making a very poor learning condition. The cost of replacing the 26,775 square feet of roof at Gosport Elementary is estimated to be \$120,000. Spencer Elementary School has 40,053 square feet of roofing that needs to be replaced. Again, despite regular repairs, each time it rains leaks occur in classrooms, making a very poor learning condition. The cost of replacing the 40,053 square feet of roofing at Spencer Elementary is estimated to be \$158,000. Two small sections (1,876 square feet) of Ballasted EPDM (Ethylene Propylene Diene Monomer) roofing at Owen Valley High School have developed so many leaks that they are unable to keep water out of the classroom and media center below them. Ballasted EPDM is basically rubber membrane roofing covered with pea gravel to keep it anchored. The estimate to replace these two small sections is \$20,000.

The GO Bond funds for technology (\$399,640) will be spent as follows:

Infrastructure: Routers for subnetting (includes equipment, installation, training, and equipment warranty)

Teacher Laptops: 205 laptops x \$1,600 per laptop (includes equipment, 3 year warranty, and 3 year Operating System updates) – this provides a laptop for all teachers in all 6 buildings.

Business Office Systems: 14 desktops x \$1,500 per system (includes equipment, 3 year warranty)

**Comments:** Mr. Roberts, Business Manager, said they are requesting a \$750,000 general obligation bond. The bond will address roofing and technology. The school district has about 3,000 students and is located 20 miles west of Bloomington. For three years they had a decreasing assessed valuation. Out of 293 school corporations they are 255<sup>th</sup> in terms of AV per ADM. This means they do not have enough money in CPF to take care of this project. They do generate the maximum levy in the general and capital projects funds. The school board has set a goal of not increasing the total tax rate in one year more than seven percent. There is a light at the end of the tunnel for them with the school formula changing and assessed values beginning to

go up. They are a small community. There is nothing that they do that everybody does not know about. All of their projects are very well advertised in the community. This project was the lead article in the newspaper a few months ago. There have been no negative comments about the project. This project would be a 3.14% increase maximum over the five year term. There is not enough money in CPF to take care of the roofs because they have been using it to take care of maintenance and HVAC issues. A roofing analyst analyzed the worst needs in the district. Gosport Elementary needs two sections of roof replaced for a cost of about \$120,000, Spencer Elementary roofing project will cost \$150,000, and a section of roof that constantly leaks at the high school will be addressed. Their CPF rate has increased about 30%, but the revenue that that produced has only increased about 7%. From 2004-2007 revenue in the general fund has only increased 1.73%. Because of this they have to pay for utilities out of CPF.

Ms. Ranard, Director of Technology, said she started as technology director about eight years. At that time there was only one computer connected to the internet in each school. Their goal was to bridge the gap between the technology available to their students and that available in larger school districts. They used CPF, grants, donations, and whatever it took to fill in technology. They began at the high school level. Now they have computer labs. They have used every grant available at both the state and federal level. They have a plan now to sustain the equipment they already have. They need an infusion of \$400,000 to start this plan. The teachers all have laptops. This allows them to create multimedia lesson plans. Their laptops are now five years old. Buying that many laptops at once is a large chunk of money. The business office systems need to be brought up to date.

Mr. Roberts said their audits from SBOA have been very favorable and they are in good shape with their fund balances. They ended 2006 with a 10% cash balance in general fund. They predict a \$1.9 million cash balance in general fund at the end of 2007.

Mr. Mills asked why they cannot use their general fund to pay for the maintenance of their buildings. Mr. Roberts said the school formula does not give them much new money over the next few years and they need to give teacher raises. It would be imprudent to draw down the cash balance. If they draw the balance down too low they have to go out for tax anticipation warrants much sooner. Their tax bills went out on time this year. The community was well aware of the tax rates when this project was advertised. Mr. Mills said he sees the have \$1.1 million in their CPF for building acquisition and construction. Mr. Roberts said that is the heading for repair and replacement. Mr. Mills asked which account is for maintenance. Mr. Roberts said they use account 25420 for utilities.

Mr. Besinger asked why they are not paying for utilities out of the general fund when they have extra money in there. Mr. Besinger said if they paid the \$650,000 for utilities out of general fund they would have that much money available in CPF and would not be here asking for \$750,000. Mr. Roberts said \$650,000 will not pay their utilities for the year. They pay about 1/3 of utilities out of the general fund. Mr. Besinger asked which fund they use to pay severance pay. Mr. Roberts said bus replacement was their neutrality fund.

Mr. Samuel asked who their roofing consultant is. Mr. Roberts replied Moisture Management of Fishers, IN. Mr. Samuel asked if all the teachers have laptops now. Ms. Ranard replied yes.

They did a study a few years ago and learned the teachers were not using computers because they did not know how to use them. Teachers use the laptops more because they are able to take them home and become more familiar with them. Mr. Samuel asked if they need to replace all of the laptops this year. Ms. Ranard said she cannot buy bulk equipment for repairs if the systems are not all purchased at once.

Mr. Bowen asked if Moisture Management will prepare the bid documents. Mr. Roberts said they will do the bid documents and the architect and engineering work, which is included in their fee. They have a certified engineer on staff. Mr. Bowen asked what the extent of the roofing project is. Mr. Roberts said it is strictly a shingle roof. They do not know what is under it and what problems they might encounter with the decking. Mr. Bowen asked if they will strip the deck. Mr. Roberts responded yes, they will have adequate ventilation. Mr. Bowen said they have budgeted \$4.34 per square foot for the roof, but they may need more money if they discover problems. Mr. Roberts said they based their estimates on work that has been done at the elementary schools. Mr. Bowen said he wonders how many schools will be coming in the future asking to issue bonds to buy laptops for all of their teachers. Ms. Ranard said their ISTEP scores have been increasing and she would like to think that is due to technology. Mr. Roberts said this is a one time thing for them. The grants have dried up, but they have a plan to sustain this.

Dr. Seger asked if they have looked at a common school loan to pay for the technology. Mr. Roberts said they have used a common school loan once before to pay for technology and if it becomes available again in January they will apply.

Mr. Samuel asked what they will do with the laptops they are replacing. Ms. Ranard said they will probably use them as mobile labs for students.

Mr. Bronnert said the legislature has put this school system in a predicament by allowing them to pay utilities out of CPF and severance pay out of bus replacement.

Mr. Nemeth asked if they will be using a service center. Mr. Roberts responded no, they had a bad experience with a service center about four years ago. Mr. Nemeth asked if they have a rainy day fund. Mr. Roberts said they have \$83,000 in their rainy day fund. Mr. Nemeth asked where that money came from. Mr. Roberts said a few years ago they transferred the money from CPF when they were in much better shape. Mr. Nemeth asked if they have been using that money. Mr. Roberts said it is sitting there for the next recession. Mr. Nemeth asked if they have a personal use policy for the teacher laptops. Ms. Ranard said they do have a policy, but there is not a good way to police it. Every summer they pull all of the systems back to do maintenance. The teachers have been very responsible because they know it is privilege. Mr. Nemeth asked if the teachers signed a use contract. Ms. Ranard said it is difficult to get anything signed with the unions. The teachers had to go to training, but they did not have to sign anything. Mr. Nemeth said he is concerned with the personal usage.

**Motion:** Ms. Hineline made a motion to approve the issuance of bonds in the amount of \$750,000 with a term of 5 years. Mr. Umbaugh seconded the motion, which carried by a vote of 5-4. Mr. Nemeth, Mr. Mills, Mr. Besinger, and Mr. Samuel cast the dissenting votes.



Mr. Besinger said he cannot support a project like this when they have the money available in their general fund.

**School Town of Highland, Lake County:** Officials request approval of a lease rental agreement with maximum annual payments of \$3,436,000 for a term of 16 years. Total project costs are \$9,695,000. The tax rate impact is \$0.1821 with no new facility appeal expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. There was no application for a petition and remonstrance process. School officials reported the project type at "Other" and therefore the DLGF baselines do not apply.

**Present for the hearing** was Michael Boskovich, Superintendent; Carol Green-Fraley, Board President; Lynn Kwilas, Business Manager; Rhett Tamber, School Attorney; Lawrence Vasser, Board Secretary; Donald Bivens, Financial Consultant and Curt Pletcher, Umbaugh.

**Project:** This project includes multi facility roof replacement, asphalt repairs and resurfacing for facilities, and physical education and athletic outdoor field renovation. Three buildings in greatest need of roof replacement are the Highland High School, Highland Middle School and Southridge Elementary School. Replacement of these roofs will begin in 2008 and be completed by 2010. The estimated construction cost is as follows:

Highland High School	264,547 sq. ft.	
Highland Middle School	163,606 sq. ft.	
Southridge Elementary School	84,262 sq. ft.	
Proposed construction budget for roofing	512,415 sq. ft.	\$6,524,408

They School Town of Highland has financed the upkeep of these roofs through its Capital Projects Fund. (2000 – 2007 expenses equal \$320,833.48). They will continue to finance roof repairs and replacement through the Capital Projects Fund based upon the Master Plan found in the Multi Facility Graphical Replacement Schedule.

The proposed scope of work for the asphalt repairs and resurfacing will affect all of the existing School Town of Highland facilities. The scope at each facility varies depending on the existing condition of the asphalt surfaces. All existing asphalt in good condition will receive crack filling and seal coating. All existing asphalt in good condition will with small failed areas and areas showing alligatoring will have those areas removed and patched with new stone base, binder course and surface course of asphalt. After patching is complete, the entire asphalt area will be crack filled and seal coated. All existing asphalt areas in poor condition will have all failed areas and areas showing alligatoring patched as described above. The remaining areas will be milled at the curb areas meeting other paying and at catch basins, and then the entire asphalt areas will receive a new 1 ½ inch surface course of asphalt. All asphalt area will be restriped.

The existing football field is in need of crowing in order to be in compliance with guidelines of the National Federation of State High School Associations. This will require removing the existing topsoil, subgrade drainage system and irrigation system. The field will then be regarded with appropriate fill and topsoil reinstalled. Once this is complete, a new subgrade drainage system and irrigation system will be installed. Once the above is complete, the entire area within the existing track will be resodded. This area is approximately 107,500 square feet. The existing

eight land 42,900 square foot running track needs to be resurfaced. The existing track surface must be removed by milling and a new surface installed. One additional lane will be added to the track to better serve the track and field program needs. This requires an additional 3,700 square feet of new asphalt and new track surface coating. In order to expand the track, the existing 42" fence surrounding the track must also be relocated and expanded. The new fence will be approximately 1,700 feet long. In order to expand the track and to access the existing home side bleachers, a new continuous walkway will be added. This would eliminate stairs at the bottom of each aisle and match the visitor side bleachers. Handicap seating will also be added to conform to ADA standards. The existing fenced 65,500 square foot tennis court facility is in need of resurfacing and repairs. The existing surface must be removed by milling. All cracks must be filled and repaired appropriately and a new tennis court surface must be applied. The courts will then be restriped. To improve the courts for better tennis matches, a windscreen on the fence surrounding the courts will be installed. The existing fence posts must be stronger to resist the additional wind load. This will be accomplished by replacing the fence posts, repairing the asphalt and reinstalling the existing fence fabric. The new windscreen will be attached to the new fencing. The new fence is approximately 1,050 feet in length.

**Comments:** The Superintendent said they are requesting a \$9,695,000 lease with a 13 year term to encompass three specific areas. First, they have a multi-facility roof replacement. The cost of this is 82% of the total they are requesting. The second area is asphalt repairs at several buildings and is 9.4% of the total they are requesting. The final area this project will address is physical education and outdoor athletic facilities renovations. The football field, track, and tennis courts are in need of renovation. Community meetings were held in 2007 to ask the community to help pay for this project. The community has supported their maintenance efforts. There was no remonstrance. The need for this project has evolved over several years. Since 2000 they have spent over \$320,000 out of CPF to repair and replace roofs. Three of their buildings have roofs that need replaced within the next three years. Repairs will no longer be sufficient. Roof replacement cannot be addressed with CPF alone. The second and third components of this project are susceptible to harsh weather conditions. The town was devastated by a flood in September 2006. Several homes were destroyed and all school buildings had water up to the foundations. One of the goals of the parking lot asphalt repaving is to improve drainage. The outdoor physical education and athletic facilities are in need of repair. The football field has not been addressed since 1986. The drainage and irrigation systems are beyond repair. The running track is used for sectional and regional track meets, as well as by elementary and middle school students. The tennis courts are also in need of resurfacing. They are used extensively by the public. The school board has always been very conscious of the financial and tax rate impact of this project.

Mr. Mills commented that this is the ultimate in a sub-prime mortgage financing proposal. Mr. Mills said delaying payments for fifteen years in a community that can afford to make payments should not be allowed and he will only support this project with a level repayment schedule. Mr. Pletcher said they explored several options and the goal was to minimize the tax impact. This repayment schedule has delayed principal payments until 2003 refunding bonds retire, but the total interest cost counters what it would have been with a longer term.

Mr. Umbaugh asked if the total interest payment for this thirteen year term is equal to a twenty year level repayment schedule. Mr. Pletcher said it is less. This issue compares to a seventeen year level repayment. Mr. Umbaugh said it is balance between tax impact and total overall cost.

Mr. Mills said their CPF rate is about \$0.15 lower than what they usually see. The Superintendent said they have now been looking at a ten year plan and what they will need to do to maintain their buildings to avoid building new schools.

Mr. Besinger asked how much of their CPF they use for utilities, insurance and salaries. The Superintendent said about \$530,000 is spent for utilities. Mr. Pletcher said Tab F outlines CPF expenditures from 2004-06. Mr. Besinger said when they use CPF for utilities that takes the money they could be using for projects like this. The Superintendent said that amount is only a portion of the amount they spend on utilities annually. The School Town of Highland has the fifth highest class size in Indiana. The only way to work on that is with money out of the general fund. Mr. Besinger said that there are not a lot of statistics that show students in larger classes do not do as well.

Mr. Nemeth asked if they are going to bid the roof locally. They responded yes. Mr. Nemeth asked if they will use a service center. The Superintendent said it is an option that they can pursue. The roofing consultant has told them there is not much of a cost difference so they would like them all to compete. Martin Riley, roofing consultant, said it has been there experience that bidding both way brings in about the same amounts. They have not yet looked at how they will package it. The work needs to be completed within five to six weeks so they may have a problem with labor availability. Part of this project is repairing decks and part of it is repairing masonry that has been affected by the roofs.

**Motion:** Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$3,436,000 for a term not to exceed 16 years. Dr. Seger seconded the motion, which carried by a vote of 5-4. Mr. Nemeth, Mr. Mills, Mr. Besinger, and Mr. Samuel cast the dissenting votes.

**Flat Rock – Hawcreek School Corporation, Bartholomew County:** Officials request approval of a lease rental agreement with maximum annual payments of \$1,606,000 for a term of 24 years. Total project costs are \$19,675,000. The tax rate impact is \$0.7000 with no new facility appeal expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. There was an application filed for a petition and remonstrance process. The vote was 1,524 yeas and 542 nays. The school corporation did not modify any part of the project to address taxpayer concerns. The construction cost per square foot for Hope Elementary is 34.39% below the DLGF baseline.

**Present for the hearing** was Philip K. Deardorff, Superintendent; Tim Stephens, Principal; Charles Wells, School Attorney; William Hill, John Baute and Tom Miller, Board Members; Shawn W. Thayer, Community Member; Lonnie Therber, Financial Advisor and Thomas Peterson, Ice Miller.

**Project:** The project involves minor reconfiguration and improvements at the existing Hope Elementary School, major renovation and reconfiguration of Hauser Jr.-Sr. High School, and the construction of a new building between and connected to these two schools which are located on the same site. The Hope Elementary School will become an intermediate school, grades 3-6. The new building will be an elementary school, grades K-2, and also contain some space which will be used by Intermediate and Jr.-Sr. High School students. The existing Cross Cliff Elementary will be removed from service.

Cafeterias and kitchens in Hope and Hauser will be removed and replaced by one kitchen and two cafeterias in the new addition. One cafeteria will serve grades K-6 and the other grades 7-12. The addition connecting the current Hope and Hauser buildings will contain approximately 95,500 square feet and include the following spaces:

- New shared central kitchen (3 existing will be closed)
- New K-6 cafeteria
- New 7-12 cafeteria
- Two new Jr. high science lab/classrooms
- Two new Sr. high science lab/classrooms
- New central HVAC plant for all buildings
- New indoor physical education facilities for K-12 use
- New physical education lockers and storage areas
- New elementary computer labs
- 18 new elementary classrooms
- Teachers workroom
- Fitness center room for fitness equipment
- Additional elementary restrooms
- Additional Jr./Sr. High restrooms
- Central offices

The new central kitchen and cafeterias will be built to meet FEMA 361 shelter recommendations for tornado refuge. The addition allows for central pick-up and drop-off for buses. With the addition, the school is under one roof/campus with a central heating and cooling plant to help reduce long term utility and maintenance costs.

**Comments:** Tom Miller, School Board Member, spoke about the project. Mr. Miller felt it was important for him to explain the project because ultimately the school board members are the people responsible for these things. Flat Rock-Hawcreek School Corporation is located in the far northeastern corner of Bartholomew County. They are the minority school district in the county. They have about 1,100 students. The population of their two townships equals about 6,000 people. In 1962 there was a county wide vote to consolidate the county schools into one school corporation. That proposal was defeated by an eight to one margin. In 1964 a two school system was approved by a vote of four to one. The school corporation has three buildings on two campuses approximately five miles apart. The makeup of their tax base is 64% residential, 27% agriculture, and 9% commercial and industrial. Development of a long range plan began in 2001. This started a process that has been ongoing for over six years. The school board voted unanimously to accept the recommendations of the planning committee and begin moving forward with this project. Every vote taken in relation to this project has been an unanimous vote by their five member elected school board.

The underlying theme of this project is the most cost effective way to deliver quality education to the community. The first conclusion is they need to consolidate to one facility. Secondly, they need to reduce operating costs by being as efficient as possible. This will be accomplished by building a connector area to move elementary students to Hope and closing the existing school. There will also be a new cafeteria/kitchen area to consolidate the three existing areas. This project provides for new science departments to be shared by elementary and junior high students. The project provides physical education facilities for all students K-12. This project does the necessary repairs at the Hope building. The building is approaching 20 years old. They need an entire new roof, HVAC, and technology upgrades at Hauser, which is an almost 40 year old building. Cost savings will be achieved through a centralized power plant for heating and cooling the entire campus. Transportation costs will be reduced by being all on one campus. There will be substantial cost savings in staffing. This project will meet all current and projected needs for the next twenty years. They do not have the growth in AV to do more projects like this in the future. This project includes the capacity for enrollment growth of 25%. The school corporation spends \$7,685 per student per year compared to the state average of \$9,647. On December 12 Hauser High School will be named the top sixth school on Indiana's Best Buy list. What they are most proud of is defeating the remonstrance by a margin of three to one.

Mr. Mills said they are showing capacity for 1,740 students in a school corporation of only 1,100 students and they do not expect any enrollment change. The Superintendent said right now at Cross Cliff Primary they have special education students that have been using closet space. They are seeing some enrollment growth around Columbus so they are planning out for twenty years and doing it right the first time. Mr. Mills said that is a fifty percent surplus. Mr. Miller said the capacity was calculated by multiplying the number of rooms times the number of students you can put in a room. They have special education requirements that only allow one student per room. This plan calls for thirty new classrooms, fifteen of which will be absorbed almost immediately. Their high school is about ten miles from where the new Honda plant is going in.

Mr. Besinger said from the 2002-2003 school year to present they have had a 5.3% decrease in enrollment. Mr. Besinger said he came up with a capacity of 1,840 which would be a 61% surplus. The Superintendent said the capacity in their current facilities does not allow for even one computer lab. They are cramming computers into spaces that used to hold students. Some of the room they are adding on will be used for technology. They are not able to implement Project Lead the Way because they do not have the space to add that program. Mr. Besinger said he cannot imagine they would need that many computer labs with only 1,122 students. The Superintendent said they will close Cross Cliff and use most of the new classrooms for those students.

Mr. Bowen asked how many students are at Cross Cliff right now. The Superintendent replied about 265. Mr. Bowen said the form indicated Hope Intermediate has a current enrollment of 325 and capacity of 400, but that capacity will increase to 500 with no increase in square footage. The same thing is true with the current high school. Mr. Bowen said something is wrong with the data. They said they will consolidate the cafeterias at Hope Intermediate and that space will become classrooms. A multi-purpose room at Hauser will be converted to classrooms. The capacity was calculated using thirty students per room which is very inappropriate. Mr.

Bowen asked what they mean by “Cross Cliff Elementary will be taken out of service.” Mr. Miller said the building will be sold or disposed of. They anticipate that will be almost three years from now.

Mr. Nemeth asked if they are the school corporation that has had difficulty in record keeping and balancing bank accounts. Mr. Miller said he is not aware of anything, but they are in the process of having an audit done currently. The Superintendent said they have had some historical problems that are being worked on. They are hoping to iron those things out. The problems began back in 1995. They have brought in extra help and believe they are caught up. Mr. Nemeth asked if they are paying their bills timely. The Superintendent responded yes. Mr. Nemeth asked if they issued tax anticipation warrants. The Superintendent replied yes. Bartholomew County has not yet given the school corporation operational money from property taxes. The only thing they have been operating with has been borrowed money. Mr. Nemeth asked if tax bills have gone out. Mr. Miller said they bills have been paid so they should be receiving money soon. Mr. Nemeth asked if taxpayers had their bills in hand during the remonstrance process. Mr. Miller said they did not have their bills and the unknown was what made the process so difficult, yet the school still received overwhelming support. Mr. Mills asked if they have done anything to address the concerns of the taxpayers that objected to this project. Mr. Miller said he felt their position was just they did not want to pay any more taxes period.

Mrs. Price, a remonstrator, presented packets outlining their concerns with the project.

Mr. Besinger asked if anyone ever spoke about the tax rate impact and cost of this project. Mrs. Price said at the 1028 hearing they were told the project would cost \$0.19 per \$100 of AV. They said they did not know the impact for sure because of trending.

Dr. Seger asked why they did not share with the school board that they were opposed to the project. Mrs. Price said they spoke with the Superintendent and he was not very receptive. They are new to this and did not know what to do.

Mr. Samuel asked when their meeting with the Superintendent was. Mrs. Price said it was right before they started the remonstrance process in August. They asked that they either delay the project or drop the \$4.9 athletic facility. Mr. Samuel asked what they think of the assumption that the school corporation may grow in the next twenty years. Mrs. Price said she knows they are placing an emphasis on reducing class size. They do not think the population is going to increase.

Mr. Mills said the sheet submitted to the board shows an impact of \$0.44. Mr. Therber said when the information was put together 2006 was all that was available. For 2006 the debt service tax rate was \$0.61, so \$0.19 on top of that rate is and continues to be a good number. The rate decreased in 2007, so the increase in the rate over 2007 will be more than \$0.19. Mr. Mills asked why the form states the maximum tax rate impact of this project only will be \$0.70. Mr. Therber said the impact of this project is \$0.70. When it reaches \$0.70 much of the other debt that makes up their rate will have retired. Mrs. Price said they also had trouble understanding this, but they assumed the increase in their taxes would be \$0.19. Thomas

Peterson said the 1028 resolution, per the DLGF requirement, shows the maximum levy for this bond issue will be \$0.78 in any one year.

Mr. Umbaugh said he has no problem with the financing given they are a small rural system.

Mr. Bowen said the square foot per student with 24 students per classroom would be about 144 square feet per student which is not excessive. Mr. Bowen asked if a detailed cost estimate was prepared. They said it was over fifty pages long. Mr. Bowen said they need that information to better evaluate these issues.

Mr. Besinger said when people project the size of a school they usually base it on thirty students per classroom incase they are caught in a bind and have to go up to that number. Mr. Bowen said they thirty students per classroom is based on code. Mr. Besinger said new capacity is usually based on thirty students. Mr. Besinger said they use the number both ways to their advantage.

Mr. Nemeth said his concern is there are taxpayers present opposed to the project. The school board was not aware there were people opposed to the project and were unaware there were record keeping issues. Mr. Nemeth said the school board members should come to the SBOA audit exit conference to learn about some of these issues.

Ms. Hine said why they need three gymnasiums in a school corporation of just over 1,000 students. Mr. Stephens said there is not currently a gymnasium at Cross Creek, the school they are going to shut down. They have PE issues because they have to have PE during lunch periods. The high school basketball games will still be played in the same gymnasium. The new gym will be used for PE. They do not have the space necessary for PE or athletic practices. Parents do not want their kids at the school from six a.m. to ten p.m. for practices.

Mr. Besinger asked how many years of PE high school students take. They said it depends which track the student is on. All freshmen are required to take PE. Elementary and middle school students take it every day. Mr. Besinger said they have roughly eighty students per class. Mrs. Price said the PE facility is attached to the high school and is farthest away from the elementary students.

Mr. Samuel asked what the seating capacity will be in the new gymnasium. Mr. Miller said the new facility will not have any seating. Basketball games will be played in the old gym.

Ms Hine said the picture shows three gyms. Mr. Stephens said they have several athletic teams that do not have adequate practice space. The current gymnasium in the intermediate school is very small. It has a capacity of about 300 and they cannot play cross court on it. The high school gymnasium has a capacity of about 1,600. They are not asking to build a facility to host a sectional or regional. The floor cannot be sanded any more. There are only three courts to play sideways on.

**Motion:** Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$1,606,000 for a term of 24 years. Mr. Umbaugh seconded the motion,

which failed to carry with a vote of 3-6. Mr. Nemeth, Dr. Seger, Ms. Hineline, Mr. Mills, Mr. Besinger, and Mr. Samuel cast the dissenting votes.

**Twin Lakes School Corporation, White & Carroll County:** Officials request approval of a lease rental agreement with maximum annual payments of \$530,000 for a term of 12 years. Total project costs are \$1,900,000. The tax rate impact is \$0.0300 with no new facility appeal expected. The common construction wage scale was approved by a vote of 3-1 with the representative for the state Federation of Labor voting no and the Governor's Representative absent from the vote. The project does not qualify for the petition and remonstrance process. The construction cost per square foot of the addition to Roosevelt Middle School is 24.22% above the DLGF baseline.

**Present for the hearing** was Tom Fletcher, Superintendent; Mark Mills and Susan Relock, School Board; Scott Clifford, RMS Principal; John Million, School Attorney; David Wietblack, Architect; Jim Merten and Kelly McNairy, City Securities and Jane Herndon, Ice Miller.

**Project:** At Roosevelt Middle School this project includes the doubling in size of the existing cafeteria, additional staff parking, and a new access drive from Broadway Street. The cafeteria expansion will ease existing overcrowded conditions while the parking expansion and access drive will create a safer site circulation pattern separating buses from staff and parent circulation.

The maintenance building addition project includes the addition of two service bays to the existing maintenance facility, expansion of the existing parking area around the building, and paving of the existing parking area. One of the two new bays will be used for servicing buses and will include a hydraulic lift. The second bay will be used for washing of the buses and will include hose bibs and trench drain.

**Comments:** Dr. Fletcher, Superintendent, said their project contains three parts. It is a proposed \$1.9 million project to be paid back over 12 years with an anticipated rate impact of three cents based on this year's assessed valuation. The three parts of the project are the Roosevelt cafeteria expansion, Roosevelt parking area and new entrance and bus garage expansion. Roosevelt Middle School was built in 1938 and was originally a high school. It was remodeled in 1989 and at that time a new cafeteria was added. The architect recommended that they increase the size of the cafeteria, but they did not listen at that time. Middle school students require more space. The current cafeteria is overcrowded. The space is also used for many academic activities including large group instruction, testing, and study hall. Every month the honor roll reception has standing room only. The community supports the cafeteria expansion.

Also at Roosevelt Middle School they are proposing to add additional parking and a new entrance. The new traffic plan will separate bus and vehicle traffic. Parents are now forced to do a U-turn against oncoming traffic to avoid the bus unloading area. This plan includes adding additional parking lots to the front of the building to improve traffic flow. This will create a safer school. The new entrance will create a better traffic pattern. School busses will deliver and pick up students at the back of the school. The new parking areas will provide much needed



parking for school faculty. The existing parking area in back of the school is also the marching band practice field. The community supports the additional parking area and entrance.

The third part of this project is the expansion of the bus garage. The current bus garage was built in 1974 to accommodate 25 busses. The garage currently houses 50 busses, various pieces of equipment, two mechanics, three maintenance workers and a secretary. This plan includes remodeling the existing garage and adding two additional bays. The community supports this remodel and addition for a safer and more efficient transportation center.

These projects cannot be included in CPF because the cost is too great to include in the current plan. The current plan includes a new roof on a school for the next six years, technology, energy savings contracts, other parking lot issues, etc. These projects are very important to the overall plan to improve schools in the district. Everyone supported the projects at the 1028 hearing. The local newspapers have written several favorable articles. These projects need to be completed in a timely manner and cannot wait. The bus garage project will provide a safer and more efficient transportation center. The parking addition will improve student safety. The cafeteria expansion will also improve student safety.

Mr. Besinger asked if they pay utilities out of CPF. The Superintendent responded no, but they do have appropriations in there in case the general fund cannot cover the expenses. Mr. Besinger asked their balance will be in their general fund at the end of the year. The Superintendent said they will have about \$4 million. Mr. Besinger said if they paid for things like insurance and severance bonds with their general fund rather than CPF they would almost have enough money in CPF to take care of this project. The Superintendent said their CPF is neutralized for pension bonds.

Mr. Bowen asked how many students they have in the cafeteria at any one time. The Superintendent said anywhere from 200-225. Mr. Bowen said 6,500 square foot cafeteria for 225 students is over thirty square feet per student. The Superintendent said there will be times when more than 225 students will be in there, but at lunch no more than 225 students will be in there. Mr. Bowen asked how they are maintaining their busses currently. The Superintendent said they have their current facility and two mechanics. Mr. Bowen asked if they have lifts in the existing bus garage. The Superintendent said they have portable lifts. Mr. Bowen asked what will happen if the state takes over transportation maintenance. Mr. Bowen said Tipton was turned down last month for a transportation facility. The Superintendent said they are currently meeting with the Superintendents in White County to discuss sharing services. Ms. Herndon said this is the only large group instruction space in the middle school. Mr. Bowen asked if they have plays in there. The Superintended replied no, they go to the high school for that.

Mr. Merten said they have changed the individual project breakdown form to break out \$300,000 for the parking expansion.

Mr. Samuel said this maintenance facility costs considerable less than the Tipton facility.

Mr. Besinger asked if they have a rainy day fund. The Superintendent said they have \$500,000 in their rainy day fund.

Mr. Umbaugh said he has no problem with the financing.

Mr. Nemeth asked where the \$500,000 in their rainy day fund came from. The Superintendent said the last three years they transferred the appropriations that were left in CPF. Mr. Nemeth asked what facilities they may share in White County. The Superintendent said they have equal facilities. They are the largest school corporation in the county. The other school districts do not have bus maintenance centers.

Mr. Besinger said his concern is they are borrowing money and paying interest when they have all of this extra money laying around. The Superintendent said because they had a cash balance that allowed them to go through this year without any tax collections and without having to borrow. They also have a substantial amount of grants that will soon run out. They have been receiving about a million dollars per year. The plan is to be solvent and plan for the future. They feel very good about that and are supported by the teacher association and community.

**Motion:** Mr. Mills made a motion to approve a lease rental agreement with maximum annual payments of \$530,000 for a term of 12 years. Mr. Umbaugh seconded the motion, which carried by a vote of 7-2. Mr. Nemeth and Mr. Besinger cast the dissenting votes.

**Hanover Community School Corporation, Lake County:** Officials request approval of a lease rental agreement with maximum annual payments of \$5,800,000 for a term of 23 years. Total project costs are \$43,500,000. The tax rate impact is \$0.6340 with a new facility appeal rate impact of \$0.1541 expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. There was an application filed for a petition and remonstrance process. The vote was 819 yeas and 683 nays. As a result of the remonstrance, the school corporation did modify the project to address taxpayer concerns. The construction cost per square foot of the new Hanover Middle School is 0.76% above the DLGF baseline.

**Present for the hearing** was Michael Livovich, Superintendent; Jane Herndon, Ice Miller; Andy Yakubik, Cindy Gross, Millie Postma, Vickie Rainwater, Jim Moore, Quinn VanRys, Todd Wilkening and Joan Boyer, Taxpayers; Bob McRoe, Hanover Central Middle School Principal; Monica Conrad, Bose McKinney & Evans; Todd Olthof, Home Builder; Charles McCoy, Fanning/Howey; Damian Maggos, City Securities and Larry Koenes, Skillman Corporation.

**Project:** The projects for Hanover Community School Corporation include renovations to Jane Ball Elementary School, a New Middle School, renovations to Hanover Junior/Senior High School, and renovations to Lincoln Elementary School.

**Jane Ball Elementary School:** The exterior work included in this project consists of landscaping around the media center area so the existing drive is not adjacent to the actual media center and the providing of a new fence between the parking lot and playground to provide security for students in the playground. The interior work includes the existing toilets located at the entrance of the building to be modified to meet ADA requirements, the provision of interior signage to

assist the staff and visitors to easily maneuver throughout the building, and providing casework for the science classrooms along with the classrooms in the C Wing of the building. This project will also include resolving noise issue with the HVAC system located in the media center and the gymnasium, along with the exterior chiller adjacent to the media center. Another issue with this building is the humidity, which will be resolved by adding adequate controls. There will also be technology upgrades throughout this facility.

New Middle School: The New Hanover Middle School will be a 2-story building consisting of steel frame construction with exterior masonry cavity walls. The New Middle School will be divided into academic areas using the team concept. There will be two teams per grade level, which include grades 6, 7, and 8. Each of these team areas will be designed for 125 students with a total capacity of each team of 150 students. Therefore, the entire middle school will be designed for a student population of 750 students with the capacity of growth being 900 students.

Other areas besides the academic areas would be special education classrooms, family and consumer science, industrial technology, administration area, guidance area, large group instruction, an area for the community, kitchen, and student dining with a platform for presentations which will be located between the gymnasium and the dining to provide flexibility. There will be a gymnasium that is to be divided for physical education spaces with adjacent locker rooms for physical education and athletics. There will be a band and choir room along with auxiliary spaces. There will also be a wellness/fitness center. All of these previously mentioned spaces will be located on the first floor.

On the second floor not only will there be the team areas for grades 7 and 8, there will be a library along with the auxiliary spaces for the library. There will also be a team room, health classrooms, and a wrestling area.

Hanover Junior/Senior High School: This project includes the exterior facilities which will include a 9-lane track with lights for an existing soccer field, softball field for girl's softball to comply with Title 9, and practice fields which will be used for physical education and athletics. Other exterior work will include parking lots for athletics, miscellaneous landscaping, tuck pointing and staining of brick at the exterior of the building, providing access ladders to mechanical mezzanines, area of the roof that needs to be replaced and repaired, and smoke vents at the existing stage to comply with code. The interior of the building will include additional shelving and security doors for the media center, renovation to two existing locker rooms, and an additional serving line and upgrades in the kitchen. This project will also include additional hose bibs at the exterior of the building, mechanical issues in the band room, and resolving noise issues with the HVAC system in the auditorium. It will also include temperature controls that will merge the two existing systems together. There will be electrical upgrading in Rooms 426 and 424, which are computer rooms. There will be an upgrade for the central sound system throughout the entire building along with technology upgrades.

Lincoln Elementary School: This project mostly includes exterior work which includes a new drive from 109<sup>th</sup> Avenue and the redesign of the east parking and bus lot. Inside the building the security issues will be addressed from the courtyards and providing technology upgrades throughout the facility.

**Comments:** Michael Livovich, Superintendent, spoke about the project. The last time the school came before the board they were requesting to purchase land and that will be paid off in January 2009. They are an urban/rural school corporation in southwestern Lake County, Indiana that is experiencing tremendous growth. The community has not realized change for a very long time. Past Boards prepared for what they needed at the time, but did not prepare for the future. They are requesting to enter into a lease for a new Hanover Central Middle School and renovate or add to Jane Ball and Lincoln Elementary Schools and Hanover Central High School for \$43,500,000. Middle school costs are \$34,202,000. The project at Hanover Central High School will cost \$5,019,256, not including Phase II except the track, which has been changed from the original design. The project at Jane Ball will cost \$1,275,508 and Lincoln will cost \$767,998, not including phase II. Many community members wanted a pool in this project, but they chose to cut this due to initial costs and ongoing maintenance costs. They have cut science labs from nine to six to three. They have taken out the football field and track as part of the base project and will add it to a bid alternative, if possible. Skylights and an alternate gymnasium were cut. Terrazzo flooring was cut, even though it would be cost-effective in the long run. The project has shifted from 44% academic space to now 51%.

Much of the information that was distributed to the public has been submitted. All meetings were open to the public, unless they were discussing security issues. There were three open community forums for anyone to participate and offer input. Two more forums were added to address concerns expressed by taxpayers opposed to the project. Those concerns included the school corporation would not give them requested information. This was never true. They have always offered information as much as possible. People requested the project be delayed a year to give the public a chance to adjust to the property reassessment. They have now waited almost a year as a result of the of the petition/remonstrance process. It was suggested that they move the site of the new middle school to a safer location. They are trying to this and the matter is now in the hands of the Town of Cedar Lake Town Council. Taxpayers were concerned other buildings nearby cost less. According to school officials that is not true. They have looked at creative ways to avoid the building of a new school. This year alone they gained 137 new children. Architects have indicated it is not possible to add a second floor to the current Hanover Central facility.

This process began many years ago. The feasibility study recommended that a new middle school be built in 2002. They tried to work with the opposition whenever possible. They had a remonstrance last spring and are very proud of the results from that. There are no extras in this request and no extravagances. They were asked to request only what was needed by the opposition and the Board directed the committee to comply to the extent that was possible.

Mr. Besinger asked what their new capacity will be. The Superintendent said the capacity at Hanover Middle will be 750 with 25 students per classroom and 900 with 30 students per room. They will have to move fifth graders into that building until they can build another elementary at some time. Mr. Besinger asked if it is correct that they have 591 students in the high school now with a capacity of 1,100. The Superintendent said they have 601 students now. The addition to the high school is a track and softball fields. They are not adding any classrooms. Mr. Besinger said he figured they have a total enrollment of 1,917 and capacity for 3,200 students. Mr.

Besinger asked when they will reach that total capacity. The Superintendent said they should reach that in about ten years. They should double their enrollment in about ten years. They took the middle road for enrollment projections and so far they have exceeded that.

Mr. Nemeth said the July 2007 publication caught his eye where it said “we will build the new middle school.” The process is not over and hopefully taxpayers did not get that impression from the wording in that article.

Mark Steinger, resident, expressed his concerns with the project. Until recently they have only had two school board members that were willing to speak with them. They lost the remonstrance by 136 votes. They educated a lot of taxpayers by going door to door. They are not against a new school; they just want to make sure they are getting the best value they can. \$747,000 from this project is being used to purchase land that they were led to believe had already been purchased. There is another way to go about this and keep their schools on one campus. There has been mention of redistricting, but nothing has been decided yet. The site plan dating back to 2001 shows an elementary school on the land. They do not deny that something is going to need to be done in the future. There is a Christian school in Crown Point that is building a 450 student school for six million dollars. They have not been given accurate figures through this entire process. They do not even know how this will affect taxpayers because of the reassessment in Lake County.

Pat Kocot, resident, said people have to work to afford their property taxes, so it is difficult for them to attend the school’s forums. Many residents from Illinois were confused by the process because they are used to referendums. They have done their best to try to stop this and do what is best for the taxpayers. Redistricting or better planning could have been done to avoid this. They are just now beginning to pay for a \$32 million fiasco and now they are asking for \$43.5 million. They cannot afford this and need the spending to stop.

A community member said they did everything they could to educate the community. There will always be a percentage of people that do not participate. The growth is coming. The people moving from Illinois are part of that growth. People support this project for short term and long term. The recommendation from the community group was to do this.

Mr. Bronnert asked if Hanover has given any consideration to consolidation or sharing of services with area school districts. The Superintendent said they are sharing services with Crown Point. They also do joint purchasing through the service center.

Larry Swarez said the school closed an auto shop and now uses it for storage. There are rooms in the existing schools that can be used, but the school board wants to move forward and spend money.

State Representative Dan Lahey could not attend the meeting, but his assistant was present to pass along Mr. Lahey’s support.

**Motion:** Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$5,800,000 for a term of 23 years. Mr. Bowen seconded the motion, which

failed to carry by a vote of 3-6. Mr. Nemeth, Dr. Seger, Ms. Hineline, Mr. Mills, Mr. Besinger, and Mr. Samuel cast the dissenting votes.

**South Central Community School Corporation, LaPorte County:** Officials request approval of a lease rental agreement with maximum annual payments of \$729,000 for a term of 22 years. Total project costs are \$6,460,000. The tax rate impact is \$0.1870 with no new facility appeal expected. The common construction wage scale was approved with the Governor's Representative absent from the vote. There was no application for a petition and remonstrance process.

**Present for the hearing** was Christopher Smith, Superintendent; Gerrie Grott and Jim Koontz, Board Members; Kara Schoch, Treasurer; Rich Gregg, Principal; Dan Glen, Head Maintenance; Sid Baker, Financial Advisor; Karl Sturbaum, Bond Counsel and Scott Huber, Project Coordinator.

**Project:** The scope of work for this project includes:

- New acoustical ceiling tile for classrooms.
- Remodel elementary and high school boys' and girls' gang toilet rooms.
- Provide proxy reader, camera, and intercom/buzzer at the two main entrances.
- Total renovation of four toilet rooms and locker rooms for ADA accessibility.
- ADA compliant bleachers at two gymnasiums.
- New carpeting and vinyl composition tile floor tile.
- Two new kindergarten classrooms.
- New lighting for football field.
- Construction of all weather six-lane track.
- New bleacher, scoreboard, and press box for football/track facility.
- Automatic irrigation system on football field.
- Outdoor rest rooms, locker rooms, and concession facility.
- Refinish and repaint both gymnasium floors.
- New ADA compliant interior signage throughout elementary and high school building.
- Technology upgrades.
- Remodel the west end of the kitchen for storage and access to new exterior freezer.
- Two new scoreboards in the gymnasium.

**Comments:** Mr. Smith, Superintendent, spoke about the project. South Central School Corporation is located in Union Mills, Indiana. It is a small, rural community. The school corporation consolidated in 1965. The student to teacher ratio is 18.6:1. They have a fleet of fourteen busses. The general fund tax rate is .5992, CPF is .2654, debt service is .3290, transportation is .830, bus replacement is .0816, preschool is .0017, and pension debt is .0401. The total tax rate is \$1.4370. This whole process started with a board retreat. They set a vision and mission. Their first goal was to increase their cash balance by 5%. They achieved this by appointed a person dedicated to grant writing. The second goal is to provide a safe and comprehensive learning environment for students. At the present time they have no advanced placement or dual credit classes available. The school put together a list of items in the schools

that needed addressed and brought in an architect to do an evaluation. They had approximately 100 attendees at the 1028 hearing. The community asked them to do their high, medium, and low priority projects. There was no petition/remonstrance.

Academics are most important to this project. They are adding two kindergarten classrooms. They must upgrade their science labs. They need to look at infrastructure for technology. Safety needs to be addressed throughout the district. Entrances and restrooms need to be brought up to ADA compliance. The football field has its original 1965 lights and cinder tract. The HVAC and boilers need upgraded for energy efficiency.

Mr. Bronnert said this project includes things like the football field, track and pressbox. Mr. Bronnert asked what they have done in the community to solicit donations to address those things. The Superintendent said those projects were included in a 1997 project that was approved, but due to mechanical issues they were not completed. Monte Clemdaniel said they started the South Central Athletic Committee about a year ago to improve the track and football facilities. Surrounding schools will not attend athletic events due to the poor facilities. With childhood obesity increasing they think it is important to provide adequate facilities. They have been selling pavers to raise money.

Mr. Mills commented that this is another example of sub prime mortgage financing because they are delaying payments for ten years. Sid Baker said they made it very clear at the 1028 hearing that they would pay \$700,000 more in interest over twenty years with a level repayment structure for this issue. They have existing debt that will pay out in 2018, so they reduced the amount of repayment until then to minimize the tax impact. Mr. Mills said a tax levy will always cost the taxpayers money. The Superintendent said it was all disclosed on their website.

Mr. Nemeth asked if the school corporation has any exclusive contracts with soft drink companies. They responded that they signed a six year contract with Pepsi last year that pays them \$8,000 year. Mr. Nemeth said sometimes those contracts will also provide scoreboards with their company logo on them. They said they have gone to strictly monetary contributions in their area.

Mr. Bronnert said he understands the classrooms, technology and ADA upgrades, but there seems to be a lot of other small projects included.

**Motion:** Mr. Samuel made a motion to approve the academic portions of this project and remove the athletic projects. Mr. Besinger seconded the motion, which favorably carried by a vote of 8-0.